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Employment arrangements

Labour Statistics: Concepts, Sources and Methods

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ABS measures of employment arrangements are collected from a number of sources, and include the following aspects:

- Status in employment
- Full-time / part-time status
- Casual employment
- Fixed-term employment
- Independent contracting
- Labour hire work
- Multiple job-holding
- Digital platform work
- Job stability and flexibility

Status in employment

Status in Employment is a classification of employed persons according to the nature of their relationship to the enterprise in which they work.

The term Status in Employment is used in the international standard as outlined in the International Classification of Status in Employment (15th International Conference of Labour Statisticians, 1993). The term Employment Status should be avoided, as it is easily

confused with the concept of Labour Force Status.

Previously in labour statistics two main employment classifications were used: Status in Employment and Employment Type. While the previous version of Status in Employment was necessary in the context of national accounting and the measurement of income, as Compensation of Employees (the largest component of Gross Domestic Product) is based on the System of National Accounts definition of 'employee'. it did not provide the most useful representation for analysis of the labour market.

Employment Type aimed to capture the fundamental nature of employment relationships, which was whether a person worked for an employer or operated their own business, regardless of the legal status of that business. This meant that in the Status in Employment classification, persons who operated their own incorporated enterprise (owner managers of incorporate enterprises (OMIEs)) were included in the Employees category, whereas in Employment Type, this group was identified separately.

The ABS revised the Status in Employment classification in 2014 to provide a single labour market relevant classification that can meet all uses. The categories are conceptually consistent and able to be aggregated or disaggregated to match the previous version of the Status in Employment classification and the Employment Type classification.

Definition

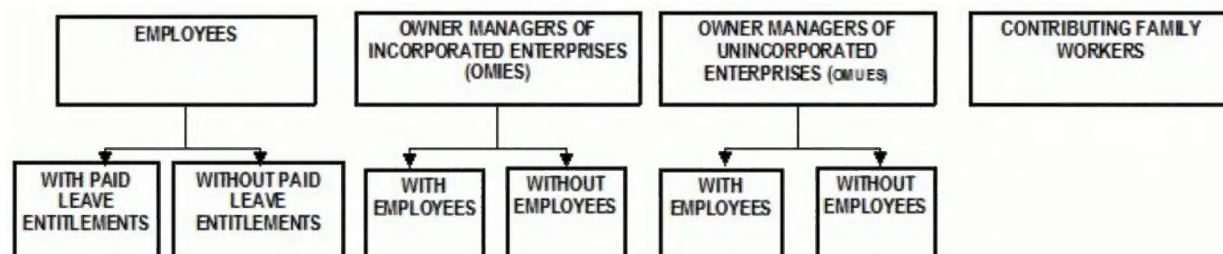
Status in Employment is determined by an employed person's position in relation to their job, and is usually collected in respect of a person's main job if they hold more than one job. The Australian Status in Employment classification classifies employed persons according to the reported relationship between the person and the enterprise for which they work, together with the legal status of the enterprise where this can be established. The groups distinguished in the Australian classification are:

- Employee: A person who works for a public or private employer and receives remuneration in wages, salary, on a commission basis (with or without a retainer), tips, piece-rates, or payment in kind, and who does not operate his or her own incorporated or unincorporated enterprise;
- Owner manager of incorporated enterprise (OMIE) with employees: A person who operates his or her own incorporated enterprise, that is, a business entity which is registered as a separate legal entity to its members or owners (also known as limited liability company), and hires one or more employees in addition to themselves and/or other owners of that business;
- Owner manager of incorporated enterprise (OMIE) without employees: A person who operates his or her own incorporated enterprise, that is, a business entity which is registered as a separate legal entity to its members or owners (also known as a limited liability company), and hires no employees apart from themselves or other owners of

that business;

- Owner manager of unincorporated enterprise (OMUE) with employees: A person who operates his or her own unincorporated enterprise or engages independently in a profession or trade, and hires one or more employees in addition to themselves and/or other owners of that business;
- Owner manager or unincorporated enterprise (OMUE) without employees: A person who operates his or her own unincorporated enterprise or engages independently in a profession or trade, and hires no employees apart from themselves or other owners of that business;
- Contributing family worker: A person who works without pay in an economic enterprise operated by a relative.

Status in Employment



The 'Employee', 'Owner manager of incorporated enterprise with employees', and 'Owner manager of incorporated enterprise without employees' series combine to provide estimates consistent with Compensation of Employees within the National Accounts.

Full-time / Part-time status

Full-time/part-time status is widely used to categorise people or jobs in terms of the number of hours worked. This is of interest in understanding the nature of employment, particularly when cross-classified with socio-economic characteristics.

Most ABS household surveys, including the LFS, define full-time/part-time status of employed people in terms of the hours actually and/or usually worked (in all jobs). In some cases, a subjective approach based on respondents' perception of their full-time or part-time status is used. This approach is most often used where information is sought about work that is not currently being undertaken, and where recall problems may be encountered using a more objective approach.

ABS business surveys classify employee jobs, rather than people, as full-time or part-time. Classification of employee jobs as full-time or part-time is based on whether the person has been engaged by the employer on a full-time or part-time basis.

Definition

People are defined as employed part-time in the LFS if they usually work less than 35 hours per week, and actually worked less than 35 hours in the survey reference week in all of their jobs. Full-time employed persons are defined as those who usually work 35 hours or more per week, regardless of how many hours they actually worked, and those who actually worked 35 hours or more in the reference week despite usually working less than 35 hours per week. Part-time employment is defined solely on the basis of hours worked, and does not depend on employee or employer perception of whether the person is full-time or part-time.

Full-time and part-time employment

	Usually works less than 35 hours	Usually works 35 or more hours
Actually worked less than 35 hours	Part-time	Full-time
Actually worked 35 or more hours	Full-time	Full-time

Actual hours worked refers to hours actually worked during normal periods of work in the reference week, as well as any overtime worked, excluding any time off or leave. Usual hours refer to those worked in a 'typical' period, as opposed to strictly in the specified reference period. Collecting information on usual hours reduces the impact that leave and other absences have on actual hours worked, while actual hours mitigates the subjective nature of defining 'usual' or 'typical' behaviour.

In the LFS both actual and usual hours worked information are collected, deriving full-time employed people as those who:

- usually work 35 hours or more per week (in all jobs); or
- although usually working less than 35 hours a week, actually worked 35 hours or more during the reference week.

Part-time employed people as those who:

- usually work less than 35 hours per week, and either did so during the reference week, or were not at work in the reference week.

In other household surveys only usual hours of work are collected, and full-time/part-time status is based on the total number of hours usually worked per week in all jobs. Full-time employed people are those who usually work 35 hours or more per week (in all jobs), while part-time employed people are those who usually work less than 35 hours per week (in all jobs).

Where only actual hours worked are collected (e.g. the Census of Population and Housing), full-time/part-time status is based on the actual hours worked in the reference week. Full-time employed people are those who worked 35 hours or more in the reference week (in all jobs), while part-time employed people are those who worked less than 35 hours in the reference week (in all jobs). Where actual hours worked is used, there is also a third category for people who are employed, but not at work in the reference week.

Where hours worked are not collected, full-time/part-time status is based on the respondent's perception of whether they work full-time or part-time, however this method is not considered a standard. Guidance can be given to refer to a 35 hour per week threshold to be full-time.

In business surveys, full-time/part-time status is collected for employee jobs. Full-time employee jobs are defined as those where the occupant normally works the agreed or award hours for a full-time employee in their occupation. If agreed or award hours do not apply, the job is regarded as full-time if the occupant usually works 35 hours or more per week. Part-time employee jobs are those where the occupant normally works less than the agreed or award hours for a full-time employee in their occupation. If agreed or award hours do not apply, the job is regarded as part-time if the occupant usually works less than 35 hours per week.

In comparison with the estimates of full-time/part-time status from the Labour Force Survey, other household surveys result in lower estimates of persons employed full-time, and higher estimates of persons employed part-time. This is because other household surveys do not include a question on actual hours worked in the reference week, so it is not possible to include persons who usually work part-time, but who worked full-time hours in the reference week, in the estimate of persons employed full-time. Usual hours worked is used in other household surveys because it can be meaningfully asked of all employed persons, whether or not they are at work during the reference week. Asking only one question for hours worked minimises the size of the question set and avoids complex sequencing.

Casual employment

There is no single measure to determine the number of people in casual employment. The ABS has three data items related to casual employment:

- Employees without paid leave entitlements;
- Employees who receive a casual loading; and
- Employees who consider their job to be casual (self-perception).

Paid leave entitlements

The most commonly used measure of casual employment is 'employees without paid leave entitlements'. This is an objective measure that can be collected consistently. An employee with paid leave entitlements has access to either paid holiday leave or paid sick leave, or both. An employee is considered to be without leave entitlements if they identify as not having access to either paid sick leave or holiday leave, or did not know their entitlements.

Casual loading

In lieu of paid leave, some casual employees are entitled to a 'casual loading' - a higher hourly rate of pay to compensate for not being entitled to paid holiday and/or sick leave. Survey respondents are asked whether they receive a casual loading, however around one-third of respondents report not receiving a casual loading, despite being without leave entitlements. This may be the case, or may reflect a lack of awareness that a loading is included in their pay. In some households, responses are provided by one member of the household on behalf of other members, and the respondent may be unaware of whether a casual loading is paid to the other household members.

Considers job to be casual

The third data item used to consider casual employment is whether the survey participant considers their job to be casual. Casual work is often viewed as less secure than other types of employment, as there may not be a guarantee of ongoing work, and hours of work may vary based on availability of hours offered by the employer. These are common characteristics of casual employment, but they apply to casual workers to varying degrees, and may also apply to non-casual workers. An employee's perception of whether or not their job is casual may be based on commonly recognised features of casual employment such as these, and may or may not reflect the actual conditions of their employment. For example, an employee may perceive that they are guaranteed a minimum workload per week, but this may not align with their employer's understanding.

Fixed-term employment

A fixed-term contract is an employment contract which specifies that employment with the employer is not expected to continue beyond a particular date or event.

Independent contractors

Independent contractors are sometimes referred to as consultants or freelancers. The term 'contractors' is also frequently used, however this is a broad term that is often used to

describe people with a variety of forms of employment, for example, not only true independent contractors, but also employees engaged in short-term or fixed-term work, often engaged through a third-party (e.g. a labour hire firm/employment agency). The ABS measure of independent contractors refers to people who are not employees, but who may be operating in a similar manner to employees.

Independent contractors are persons who operate their own business, and contract to perform services for others without having the legal status of an employee, i.e. persons who are engaged by a client rather than an employer. Independent contractors are engaged under a contract for services (a commercial contract), whereas employees are engaged under a contract of service (an employment contract).

Questions in the Characteristics of Employment Survey (COE) identify the key characteristics of independent contractors. These questions are:

- Do you work as an independent contractor in your job?
- Do you receive a pay slip/advice?
- Do you/Does your business invoice or bill clients/employers?
- Excluding wages and salary, are you able to make drawings from your employer/business?

The following table shows how people are classified as independent contractors.

Decision table for Independent Contractors

Decision Table: Independent Contractors					
	Whether considered to be independent contractor?	Whether received pay slip/advice?	Whether invoices/bills clients/ employers?	Whether able to makes drawings from employer/ business?	Result
Employeess (excluding OMIEs)	Yes	Yes	Yes		Independent Contractor
	Yes	Yes	No	Yes	Independent Contractor
	Yes	Yes	No	No	
	Yes	No	Yes		Independent Contractor
	Yes	No	No		Independent Contractor
	No	Yes			
	No	No	Yes		Independent Contractor
	No	No	No		
Owner Managers (OMIEs and OMUEs)	Yes	Yes	Yes		Independent Contractor
	Yes	Yes	No	Yes	Independent Contractor
	Yes	Yes	No	No	
	Yes	No	Yes		Independent Contractor
	Yes	No	No		Independent Contractor
	No	Yes	Yes		
	No	Yes	No	Yes	
	No	Yes	No	No	
	No	No	Yes		
No	No	No			

Labour hire work

Instead of contacting employers directly, some people engage the services of a labour hire firm or employment agency to act as a third party to assist in finding suitable employment. Similarly, some businesses use the services of these firms to source labour rather than directly engaging workers.

Labour hire firms and employment agencies are engaged in personnel search, or selection and placement of persons for an employing organisation. Such firms may either match employees and employers directly, or might provide labour through their own pool of employees.

Labour hire firms and employment agencies perform a number of functions in the labour market, including maintaining a pool of potential employees, matching a person directly with an appropriate employer, and assisting employers to source suitable staff. They often also bear employee labour costs, such as wages, workers compensation and superannuation, which are transferred to employers through service fees.

Multiple job-holding

Multiple job-holders are people who work in more than one job at the same time.

Multiple job-holders may have varying reasons for holding more than one job. In most cases, people are constrained by the wages or hours of their main job.

- A 'wages constraint' is where someone has a job that does not pay enough for them during the week. They may then choose to work in a second job to supplement their wages.
- An 'hours constraint' is where someone may work during the week, and have a second job on the weekends. This second job may have a higher wage but may not be available on a more frequent basis. An example of this is tutoring, working in elections, or refereeing sports games.

In some industries, a second job is used to expand job experience and portfolios. An example is the Health care and social assistance industry. Health care practitioners could work in their own private practice, as well as being a salaried hospital employee where they can gain experience or gain access to hospital facilities and equipment.

Digital platform work

The ABS, like most national statistical organisations, is working to expand its statistics on relatively new and emerging forms of employment, including digital platform workers. While digital platform workers and their work have always been included within existing labour statistics on employment and hours, they are a relatively small group of workers who have not been separately identifiable.

Digital platform work is a relatively new form of digitally-enabled employment but it also shares common elements with older forms of short-term employment, that have always existed. Many occupations include a combination of longstanding forms of employment, together with new and emerging forms, including digital platform work.

Specifically measuring digital platform workers and their working arrangements will provide insights into the extent to which this working arrangement is used in Australia and how this is changing over time, the nature of digital platform work and the characteristics of digital platform workers.

The ABS has been working with other parts of the Australian Government, including the Department of Employment and Workplace Relations, to ensure that data gaps for digital platform workers are effectively identified and progressively addressed.

Concepts and international guidelines

People in employment are those of working age who, during a specific reference period, were engaged in any activity to produce goods or provide services for pay or profit. Employment consists of work for at least an hour in the reference period.

The international statistical community (including the Organisation for Economic Co-operation and Development and the United Nations Economic Commission for Europe) are in the process of developing conceptual and measurement approaches for new forms of employment, including digital platform workers. The ABS is involved in these discussions and is leveraging the experience of a broad range of countries, given this is still a relatively new area of labour statistics around the world.

In 2013, Resolution I of the 19th International Conference of Labour Statisticians (the forum that sets international standards for labour statistics) defined digital platform work as

"any productive activity performed by persons to produce goods or provide services carried out through or on a digital platform".

In 2022, the United Nations Economic Commission for Europe published a more detailed definition for digital platform workers:

"Digital platform employment refers to employment performed through an online tool or an app that matches supply and demand for employment, most often based on an algorithm. An important aspect to consider in this context is that digital platform employment is about the assignment of individual tasks (smaller or larger), rather than about jobs (United Nations Economic Commission for Europe Handbook on Forms of Employment, 2022)."

The ABS is taking the evolving international conceptual and measurement frameworks for digital platform workers and applying it in the Australian context, beginning with a series of experimental questions that will be asked in conjunction with the Labour Force Survey, asked of respondents in the outgoing survey rotation group.

Digital platform work and the gig economy

The 'Gig Economy' is a very broad concept, and potentially includes many different groups of people that can be categorised in different ways. For instance, it can potentially include a combination of digitally-enabled and non-digitally-enabled forms of employment.

Within digitally-enabled employment it can also involve a broad range of groups of workers and work, such as rental economy workers (e.g. Airbnb), marketplace workers (e.g. eBay), and labour services (e.g. Uber). It is important to note that not all of these people are necessarily in scope of the standard definition of employment that is used by the ABS.

The gig economy also encompasses many different activities, which range from buying and selling goods to providing short term labour services, such as providing care.

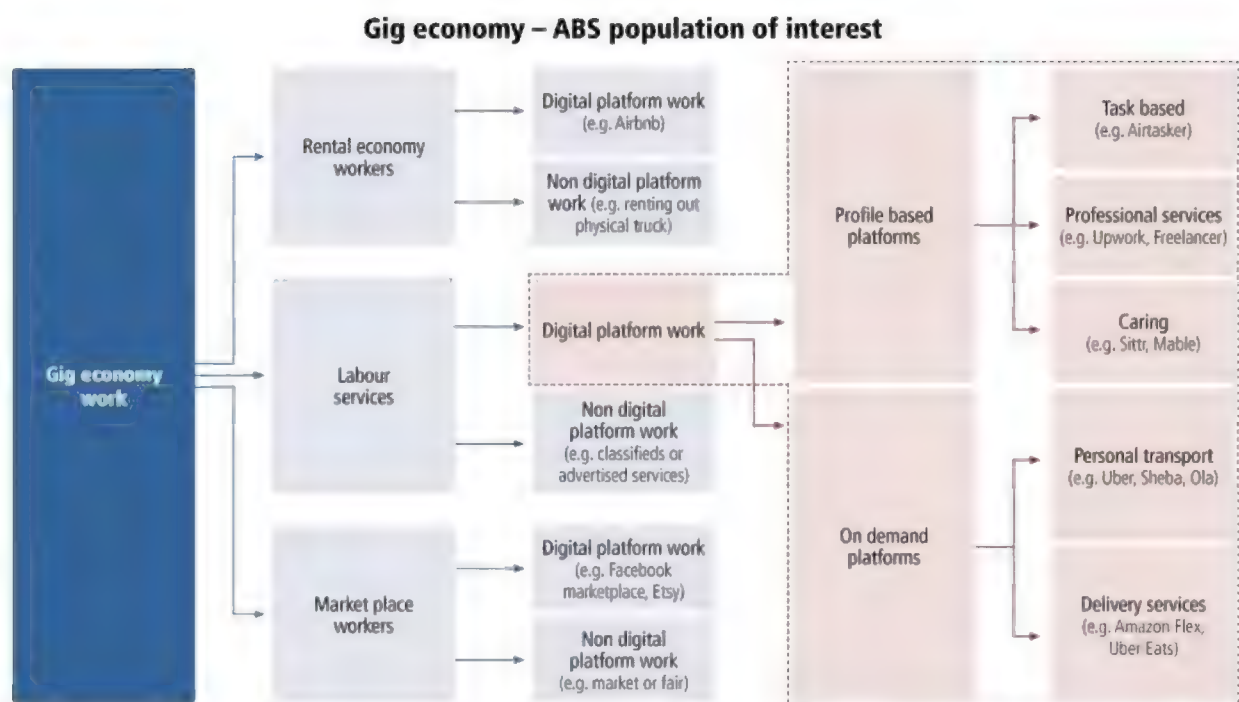
Given this breadth it is important for the ABS to consider the scope for its initial measurement of digital platform work and workers. Given the work associated with the supply of labour services through digital platforms are the most relevant aspect of the gig economy for labour statistics, and of the highest interest in Australia, the ABS has focused on this in its initial scope.

The ABS is defining digital platform work as:

"the provision of fixed duration labour services, in the form of tasks/jobs which are accessed by the worker through digital platforms and are paid per unit of work delivered through the same platform".

Figure 1 outlines a framework for gig economy work, including identifying the labour services digital platform work component of the gig economy, which is the measurement focus of the ABS.

1. Framework for gig economy work



It is important to note that some businesses allocate work to their employees using digital platforms, through applications and algorithms, without their workers being considered digital platform workers. This reflects some of the inherent challenges in measuring digital platform work and workers, given many businesses and jobs in the labour market are

increasingly digitally-enabled.

Digital platform workers are usually considered to be legally and functionally a subset of owner managers, rather than employees, according to the status of employment classification (which categorises employed people based on the nature of their relationship with the enterprise in which they work).

However, as with independent contractors, whom the ABS has been separately identifying using additional survey questions since 2008, there may be some digital platform workers who work in a way that is noticeably different to other types of owner managers. For example, some of them may not necessarily have a registered Australian Business Number.

There may be a considerable proportion of digital platform workers who are multiple job holders, who may be operating as employees in their main job and a digital platform worker in their secondary job. This type of additional work is commonly referred to as a “side hustle” by those working in this way.

Digital Platform Worker survey content and approach

The ABS developed a survey module on digital platform workers which was included in the ABS Multi-Purpose Household Survey in 2022-23. The ABS has progressively analysed data through 2022-23, and has identified further refinements to the survey questions for 2023-24.

The questions in the initial Digital Platform Workers module include:

- Whether people have undertaken paid-per-task work through digital platforms in the last 4 weeks
- The different types of digital platforms used, and the type of tasks undertaken
- How long they have been using digital platforms to undertake paid-per-task work
- Reasons for undertaking digital platform work and preferred work arrangements
- Time spent searching or bidding for tasks
- Hours spent undertaking paid tasks on digital platforms (in the past week)
- Hours spent undertaking unpaid tasks associated with digital platform work (in the past week)
- Percentage of total earnings from digital platform work

The Labour Force Survey collects information on industry, occupation, hours and other working arrangements, and a range of demographic characteristics (for example, age and sex). Some of this information will also be available to understand digital platform work and workers.

Job stability and flexibility

Measures of job stability complement measures of hours of work, full-time and part-time status, and other classifications of jobholders (such as status in employment), in order to further describe the nature of employment conditions. The ABS collects a range of data items related to job stability and flexibility. These include data on expectations about job tenure (for example, whether an employee expects to be with their current employer in 12 months' time), the variability of earnings and hours from week to week, whether an employed person has guaranteed minimum hours, and whether an employed person is a shift worker, or is required to be on call or standby.

Job flexibility measures include whether employees had an agreement with their employer to work flexible hours, whether they usually work at home in their main job, and the main reason for working at home.

Data sources

Status in employment

Status in Employment is collected in household collections. Each of the three labour force status questionnaire modules includes questions to derive Status in Employment. They are:

- the Labour Force Survey Questionnaire Module used in the ABS Labour Force Survey (interviewer administered or on-line collection);
- the Household Survey Questionnaire Module used in other ABS household based surveys (interviewer administered); and
- the Census of Population and Housing Questionnaire Module used in the Census, and also suitable for use in other self-enumeration and administrative data collections conducted by agencies other than the ABS.

Full-time/part-time status

Full-time/part-time Status is collected in the following surveys:

- the Labour Force Survey;
- household based surveys, such as the Survey of Income and Housing;
- the Census of Population and Housing;
- the Survey of Employee Earnings and Hours; and
- Average Weekly Earnings Survey.

Casual employment

The following ABS household surveys collect data on measures of casual employment:

- Labour Force Survey
- Characteristics of Employment Survey (COE);
- Multipurpose Household Survey topics:
 - Retirement and Retirement Intentions
 - Work Related Injuries.

In addition to the household surveys, the Employee Earnings and Hours business survey also collects information about whether an employee is casual. In this survey, employers are asked to identify whether the employees selected in the survey are casual, and in conjunction they are asked whether these employees receive a casual loading or a higher rate of pay to compensate for a lack of leave entitlements. Information on employees is collected directly from the employer's payroll records, and this is an alternative way of looking at casuals as in this survey they are identified as such by their employers.

Fixed-term employment

Information on fixed-term employment is available from the Characteristics of Employment Survey (COE). Data classifying employees of businesses as permanent, fixed-term contract, or casual are available from the Survey of Employee Earnings and Hours (EEH).

Independent contractors

Information on independent contractors is collected every second year from 2014 as a rotating questionnaire module in the COE survey.

Labour hire workers

Given the complexity of labour hire arrangements, ABS estimates of labour hire workers are compiled using a multi-source approach. This is published in [Labour hire workers \(/statistics/labour/earnings-and-working-conditions/labour-hire-workers/latest-release\)](#). The headline estimate of people employed and jobs worked in Labour Supply Services are sourced from the Australian Labour Account. Insights into the characteristics of people working as labour hire workers is available from Jobs in Australia (JIA) on an annual basis and Characteristics of Employment (COE). every two years.

Multiple job holders

Estimates of people working more than one job at the same time and their characteristics are published in [Multiple job-holders \(/statistics/labour/jobs/multiple-job-holders/latest-release\)](#). Information on multiple job holders are compiled from multiple sources.

The headline estimates of the level and rate of multiple job-holding are sourced from the Australian Labour Account. Additional detail on socio-demographic and employment characteristics of multiple job-holders are sourced from the Labour Force Survey and Jobs in

Australia.

Digital platform workers

From 2022-23, information on digital platform workers is collected in the Multi-Purpose Household Survey, which is asked of outgoing respondents in the monthly Labour Force Survey.

Job stability and flexibility

Information on job flexibility and stability is available from the Characteristics of Employment Survey (COE).